

Article - Local Government

[\[Previous\]](#)[\[Next\]](#)

§19–217.

(a) (1) The principal of and interest on bond anticipation notes under this part shall be payable from:

(i) the first proceeds of sale of the bonds; or

(ii) the tax or other revenue that the governmental entity has pledged to the payment of the bonds.

(2) One year's interest on the notes, or on any renewal of the notes, accounting from the date of the initial issue of the notes, may be paid from the proceeds of sale of the notes.

(b) (1) Subject to paragraphs (2) and (3) of this subsection, the principal of and interest on grant anticipation notes under this part shall be payable from the proceeds of the grant.

(2) The governmental entity may make the grant anticipation notes payable only from the proceeds of the grant and need not pledge the faith and credit or taxing power of the governmental entity.

(3) If the governmental entity does not pledge its faith and credit or taxing power, the grant anticipation notes are not a debt or charge against the general credit or taxing power of the governmental entity under any constitutional provision, charter provision, or statutory limitation.

[\[Previous\]](#)[\[Next\]](#)